

**The Sheffield UTC Academy Trust  
(A Company Limited by Guarantee)**

Financial statements

For the year ended 31 August 2020

**The Sheffield UTC Academy Trust**  
**Financial statements for the year ended 31 August 2020**

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## Reference and administrative details

### Members

The Sheffield College  
Sheffield Hallam University  
Sheffield Chamber of Commerce  
Angela Foulkes  
Richard Wright

### Trustees

(those marked \* are also members of the Resources Committees)

Richard Wright\* (Chair)  
Nick Crew\* (Principal & Accounting Officer)  
Ian Anniss\* (Resigned 16 July 2020)  
Andrew Davies\* (Appointed 1 May 2020)  
Chris Dymond  
Dan Fleetcroft\*  
Angela Foulkes  
Alison Hales (Appointed 1 May 2020)  
Russell Hand (Resigned 12 February 2020)  
Andrew Hartley (Appointed 1 May 2020)  
David Owen (Appointed 1 May 2020)  
Kathryn Platts\* (Resigned 31 December 2020)  
Jon Stewart\*

### Company secretary

Vivienne Martin

### Senior management team

Nick Crew (Executive Principal)  
Alex Reynolds (Principal, UTC Sheffield City Centre)  
Sarah Clark (Principal, UTC Sheffield Olympic Legacy Park) to 31 December 2019  
Jessica Stevenson (Principal, UTC Sheffield Olympic Legacy Park) from 01 January 2020  
Richie Wheatcroft (Principal, UTC Derby Pride Park) joined the Trust 1 December 2019 (Resigned 31 December 2020)  
Nicola Thornton (Business and Operations Director)

### Principal and registered office

111 Matilda Street  
Sheffield  
S1 4QF

### Company registration number

07652696 (England and Wales)

### Independent auditor

Grant Thornton UK LLP  
Chartered accountants & statutory auditor  
1 Holly Street  
Sheffield  
S1 2GT

## Reference and administrative details

### **Bankers**

Barclays Bank  
71 Grey Street  
PO Box 378  
Newcastle Upon Tyne  
NE99 1JP

### **Solicitors**

Browne Jacobson  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

## Trustees' report

The Trustees present their annual report together with the financial statements and auditor's report thereon of the Charitable Company for the year ended 31 August 2020. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The Sheffield UTC Academy Trust was originally created as a single academy trust (SAT) in May 2011 and became a multi-academy trust (MAT) in August 2015, following approval from the Secretary of State for Education.

The MAT operates three University Technical Colleges for pupils aged 13 to 19 serving catchment areas in Sheffield City Region and Derby. As permission was given by the School's Minister to change the age range from September 2018 to include year 9. UTC Sheffield City Centre has a pupil capacity of 600 and had a roll of 462 in the school census of January 2020. UTC Sheffield Olympic Legacy Park has a pupil capacity of 600 and had a roll of 419 in the school census of January 2020. UTC Derby Pride Park transferred into the Trust in December 2019 and has a pupil capacity of 600 and had a roll of 87 in the school census on January 2020.

### **Structure, Governance and Management**

#### **Constitution**

The MAT is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the multi-academy trust. The trustees are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Sheffield UTC Academy Trust, whilst the schools operated by the Charitable Company are known as UTC Sheffield City Centre, UTC Sheffield Olympic Legacy Park and UTC Derby Pride Park.

Details of the Trustees who served throughout the year (except as noted) are included in the Reference and Administrative Details on page 1.

UTC Sheffield City Centre, UTC Sheffield Olympic Legacy Park & UTC Derby Pride Park each have their own local Governing Bodies.

#### **Members' Liability**

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

#### **Trustees' Indemnities**

The Sheffield UTC Academy Trust has issued no guarantees, letters of comfort or indemnities during the year ended 31 August 2020.

#### **Method of Recruitment and Appointment or Election of Trustees**

The Company has a minimum of three Trustees and is not subject to any maximum. The Members may appoint up to 11 Trustees, subject to articles 45-50.

New Trustees are appointed based on their ability to support the delivery of the Company's principal activity. Trustees then recommend to the Members and the Members appoint.

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

Trustees are subject to the same induction and training programme as governors. During the financial year ended 31 August 2020 the Trust engaged Sheffield City Council to provide a programme of specialist training to the local governors and trustees of the Trust.

## Trustees' report

### Organisational Structure

The Company had 107 paid employees during the year ended 31 August 2020.

The Executive Team of the Trust is as follows:

Nick Crew – Executive Principal (Accounting Officer)

Nicola Thornton – Business and Operations Director (Chief Financial Officer)

Each UTC has a Senior Leadership Team:

Alex Reynolds – Principal (UTC Sheffield City Centre)

Jess Stevenson – Principal (UTC Sheffield Olympic Legacy Park).

Richie Wheatcroft- Principal (UTC Derby Pride Park)

Day to day operational decisions on the running of UTC Sheffield City Centre, UTC Sheffield Olympic Legacy Park and UTC Derby Pride Park are delegated to the Executive Team and the Senior Leadership Team. Under the direction of the Executive Principal, the planned budget and the underlying staffing model for each UTC is reviewed by the Trust Resources Committee. The overall budget is then approved at Trust Board. Similarly, the School Improvement Plan and curriculum development activities are approved and owned by the local Governing Body, with detailed work being undertaken by the respective Educational Quality Committee for each UTC. Day to day decisions in relation to efforts to recruit new students are delegated to the Executive Team supported by marketing professionals (Sero Consulting Limited), although Trustees agree the delegated budget and take an active interest in the scheduling and design of specific activities and key materials. Trustees also participate actively in key recruitment events. All key trust policies are drafted by the Executive Team and approved by Trustees.

For the financial year ended 31 August 2020 the Executive Principal has acted as the Accounting Officer.

### Arrangements for setting pay and remuneration of key management personnel

Trustees approve the structure for pay and remuneration for all employees of the Trust. The Executive Principal's performance targets are set and reviewed by the Trust Board and monitored by the Chair of the Trust. The setting of each Local Principal's performance targets are delegated to the Executive Principal. Performance related pay decisions are approved by the Trust Board for both the Executive Principal and Local Principals. For teaching staff, appraisals are delegated to the Local Principals with pay progression being agreed by the Trust Board.

### Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the trust to publish information on facility time arrangements for trade union officials at the trust:

#### Relevant Union Officials:

Numbers of employees who were relevant union officials in the relevant period	FTE employee number
-	-

#### Percentage of working hours spent on facility time:

Percentage of time spent on facility time	Number of employees
0%	-
1-50%	-
51-99%	-
100%	-

## Trustees' report

### Percentage of pay bill spent on facility time:

Total cost of facility time	£0
Total pay bill	£5.03 million
Percentage of total bill spent on facility time	0%

### Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time	N/A
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### Related Parties and Other Connected Charities and Organisations

Other than its Members, the Company has a wide network of partners. These include The Sheffield College, Sheffield Hallam University, Sheffield Chamber of Commerce and Industry, East Midlands Chamber of Commerce and Industry, The University of Sheffield, The University of Derby, Derby College, The Company of Cutlers in Hallamshire, Barnsley and Rotherham Chamber of Commerce, Sheffield Teaching Hospitals NHS Foundation Trust, Joined Up Care Derbyshire, the Sheffield City Region Local Enterprise Partnership, Sheffield City Council, local schools and a broad range of employers from the five sectors within which the UTC operates. However, the Trust is free to act independently of all of these institutions. The lead sponsor is The Sheffield College, which has provided a range of services to the UTC since its inception, both on a pro bono and at-cost basis. Further information on these services is provided in Note 25.

### Objects and Aims

The Company's objectives, as presented in its Articles of Association is set out above. In order to achieve its objectives, it has the following aims:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum which includes provision for technical education ("the Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age.
- To promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The UTC Sheffield City Centre building was completed and occupied in September 2013.

The UTC Sheffield Olympic Legacy Park building was completed and occupied in September 2016.

The UTC Derby Pride Park building was completed and occupied originally in September 2015, prior to joining the Trust.

Both buildings have proved to be effective tools for the engagement of new partners. The buildings have also helped to drive the recruitment of students.

### Objectives, Strategies and Activities

The key objectives of the trust for the year were:

- To achieve outstanding result for students in Y11, Y12 and Y13.
- To ensure all students leaving UTC Sheffield City Centre and UTC Sheffield Olympic Legacy Park have positive outcomes and destinations.
- To ensure that the planned budget was achieved.
- Successfully recruiting viable student numbers in Y9, Y10 and Y12.
- To ensure that UTC Sheffield City Centre achieved a successful OFSTED inspection.
- To explore opportunities to develop and expand the MAT

## Trustees' report

The key strategies for achieving these were:

- The development and delivery of a detailed Self Evaluation document (SEF) and School Improvement Plan (SIP) ensuring excellent performance in key areas relating to the Trust's vision and priorities.
- Deeper involvement with partner employers to develop clear progression routes for those students seeking to move from UTC Sheffield City Centre, UTC Sheffield Olympic Legacy Park and UTC Derby Pride Park into employment.
- Deeper involvement with Sheffield Hallam University, The University of Sheffield and University of Derby to help support UTC students seeking to move into Higher Education.
- Stronger partnerships with apprenticeship providers to support those students seeking to move onto apprenticeships.
- Careful and diligent management of expenditure in line with the planned budget, with clear cognisance taken of the income position and the need to repay the ESFA.
- A detailed and well executed Marketing Plan, building on the successes and lessons learned from earlier years of recruitment and taking into account the planned intentions of existing UTC students in Y11, Y12 and Y13.
- To review Governance across the Trust to ensure effective structures and practice in line with the Academies Financial Handbook and DfE Governance Handbook.
- Strategic planning with the DfE and ESFA regarding MAT expansion.

### Public Benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit in exercising their powers and/or duties. In so doing we have been mindful to consider the impact of the Trust on existing schools, particularly in respect to potentially losing students to the Trust at age 13. This has influenced our admissions policy and the way that we have engaged with young people and their families. We have also considered how the facilities within the Trust might be made to benefit a community wider than those students within the trust itself.

### Strategic Report

#### Achievements and Performance

During this reporting year, the Company achieved the following:

- Agreed its recurrent funding for 2020/2021 with the Education Skills Funding Agency.
- Further developed a detailed employer led curriculum framework across the Trust.
- Continued to build enduring relationships with employers and other stakeholders.
- UTC Sheffield City Centre achieved a 'Good' OFSTED outcome.
- Progressed the overwhelming majority of students into a career, further education or higher education outcome.
- Achieved successful outcomes in qualifications leading to very successful destinations.
- Successful in launching a year 9 cohort
- Excellent management of the planned budget ensuring a surplus position at year-end ensuring the financial stability of the Trust.
- Successful recruitment from across the Derby and Sheffield City Region particularly in Y9 and Y12.
- Successfully completed the re-brokerage of Derby Manufacturing UTC into the Trust (now UTC Derby Pride Park)
- In relation to the Coronavirus pandemic, the ESFA has continued to provide full funding throughout this period. The Trust has continued to pay all contractual obligations in full throughout this period. All the UTCs have remained open to at least providing provision to vulnerable and key worker pupils before opening wider in line with Government requirements.



## Trustees' report

### Key Performance Indicators

Trustees approved a budget for the year ended 31 August 2020 designed to deliver a net income of £157,000 (across the total of the Unrestricted and Restricted General Funds) before any actuarial gains or losses on defined benefit pension schemes and the net income transferred in to the trust from UTC Derby Pride Park. The Trust actually generated a net income of £142,000 across those two funds. The Trust was able to mitigate the impact of changes in funding and the difficulties presented by the Coronavirus pandemic through the careful management of resources, thereby enabling it to still achieve a surplus.

The Coronavirus pandemic has affected students due to a period of national lockdown when students were required to work remotely from home. The Trust ensured effective remote teaching and support resulting in successful outcomes and destinations for Year 11 and Post 16 students.

The coming year will be a challenge relating to the increased prevalence of the virus and the effects of disruption to students relating to requirement for self-isolation and quarantine.

Due to the impact of the effects of Coronavirus and the uncertainty regarding the duration of pandemic. There may be an impact in the future relating to the increased costs of control measures and staffing.

There is still uncertainty regarding impact on educational outcome for the 2020/2021 academic year, this being due to the possible effects on student attendance at the UTCs and the national assessment methods for such outcomes.

### Going Concern

The Sheffield UTC Academy Trust has prepared financial forecasts for the period to 31 August 2022, as part of its operational and strategic planning. These forecasts have been prepared in conjunction with, and submitted to, the ESFA.

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

The Coronavirus restrictions did impact on recruitment of pupils, especially at UTC Derby Pride Park resulting in lower than expected pupil numbers. However through dialogue with the ESFA, the Trust has maintained a secure financial position.

### Financial Review

#### Financial Position

The Trust recorded a net increase in funds of £6.03 million for the year ended 31 August 2020, whilst the total net assets were £23.97million at this date. The principal source of funding for the Trust was recurrent and capital grant incomes from the Education & Skills Funding Agency. The £6.3m increase in fund is due to the transfer of Derby Manufacturing UTC into the Trust.

#### Reserves Policy

The Trust has taken care to ensure its assets and reserves are managed prudently and effectively during the financial year ended 31 August 2020. The primary responsibility for this is delegated to the Accounting Officer, with oversight provided by the Trustees.

The value of funds which can only be realised by the disposal of tangible fixed assets is £24.55 million.

The total funds at 31 August 2020 are £23.97million, of which £23.40million is not available for general purposes of the Trust, as it relates to fixed assets and the South Yorkshire Pensions Authority scheme deficit.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 is a surplus of £1.57 million.

## Trustees' report

### **Investment Policy**

The Trust held limited long-term cash reserves during the financial year ended 31 August 2020. As a consequence, it operated only a business bank account. The Trust made no short or long term investments.

### **Principal Risks and Uncertainties**

The Trust is dependent to a large extent on recurrent funding from the Education & Skills Funding Agency and so the principal risks and uncertainties it faces are largely around any potential changes to either the overall value of this funding or the methodology used to allocate it.

A key driver of recurrent funding from the Education Funding Agency is the volume of 13-16 and 16-19 learners enrolled at UTC Sheffield City Centre, UTC Sheffield Olympic Legacy Park and UTC Derby Pride Park, and so any factors likely to lead to a material deviation from planned learner numbers would constitute a significant risk. These include increased competition for learners from other educational providers in the Derby and Sheffield City Region with the demographic profile currently having lower numbers of 16 year olds; however, this will increase over the next decade.

The Trust will mitigate these risks by ensuring that it offers the highest quality teaching and learning to young people as well as continuing to offer a unique and specialist curriculum that focuses on the skills identified by employers so ensuring successful destinations for students and economic growth in the region.

During the Coronavirus period there has been regular contact with Trustees and Governors to support the Trust achieving its effective performance.

### **Fundraising**

The trust undertook no direct fund-raising activities during the year ended 31 August 2020.

### **Plans for Future Periods**

The Trust will prepare the curriculum and staffing compliment for the cohorts in all UTCs to start in September 2020.

The Trust will introduce and develop a second specialism in Health & Life Science at UTC Derby Pride Park.

The Trust will ensure that it continues to provide teaching and learning of the highest quality to learners.

The Trust will continue to recruit sufficient learners to meet or exceed the targets set out by Trustees, and generate sufficient recurrent grant funding from the Education Skills Funding Agency to enable it to maintain robust financial health.

### **Funds Held as Custodian Trustee on Behalf of Others**

Neither the Trust itself, nor its Trustees, held any funds or assets on behalf of any other entity as a custodian trustee during the financial year ended 31 August 2020.

## Trustees' report

### **Auditor**

Insofar as the trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Charitable Company receives notice under section 488(1) of the Companies Act 2006.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 18 January 2021 and signed on the board's behalf by:

*Richard Wright*

Richard Wright  
Trustee

## Governance statement

### Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Sheffield UTC Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Trust has delegated the day-to-day responsibility to the Executive Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Sheffield UTC Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Trust any material weaknesses or breakdowns in internal control.

### Governance

The Trust held 3 full meetings during the academic year, one of which was the AGM.

5 meetings are usually held during the academic year, however one meeting was cancelled due to not being quorate and another was cancelled as it was at the beginning of the full national lock-down. For both meetings, full sets of papers were distributed to all Members, Trustees and Governors in the usual manner and any urgent business was dealt with via email. In addition, 2 further virtual meetings were held in relation to the Risk Assessment for the partial and full re-opening of the UTCs.

Trustee	Meetings attended	Out of a possible
Ian Annis	2	3
Nick Crew (Executive Principal and Accounting Officer)	3	3
Andrew Davies	1	1
Mike Drabble	2	3
Chris Dymond	3	3
Dan Fleetcroft (Chair of City Governors)	3	3
Angela Foulkes	3	3
Russell Hand	0	2
Alison Hales	1	3
Andrew Hartley	1	1
David Owen	3	3
Kate Platts	2	3
Jon Stewart	3	3
Thomas Sutton	0	1
Nicola Thornton	3	3
Richard Wright (Trust Chair)	3	3

The original structure of the Trust Board, 2 UTC local governing bodies, 2 strategic committees and 2 resources committees were highlighted as not effective in relation to the newly formed MAT. Therefore it was agreed to have 3 local governing bodies, one Trust Joint Resources committee and three Educational Quality Committees (one for each UTC). New terms of reference and a Trust Scheme of Delegation was adopted by the Trust Board, this includes key responsibilities outlined in the Academies Handbook. The Trust Resources committee is chaired by The Sheffield College Executive Director for Finance, who is a qualified accountant and the majority of the committee are Trustees.

## Governance statement

The Trust Resources Committee is a sub-committee of the Trust Board. The purpose is to:

Ensure proper financial administration arrangements are in place which enable the Trust Board to fulfil its statutory responsibilities for financial management, and also to demonstrate the achievement of key financial administration standards required by ESFA, OFSTED and the Audit Commission. To oversee the management of the Trust's finances within the framework established by the annual Academies Financial Handbooks.

Issues dealt with by the committees during the year have included monitoring performance against financial and educational targets and the implications of changes to the ESFA grant allocation.

One meeting was cancelled as it was at the beginning of the full national lock-down. Full sets of papers were distributed to all Members, Trustees and Governors in the usual manner and any urgent business was dealt with via email.

Attendance at meetings in the year 2019/2020 were as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Ian Anniss	0	0
Sarah Clark (Principal non-trustee)	1	1
Michelle Craven Faulkner (Derby Gov)	0	1
Nick Crew (Executive Principal and Accounting Officer)	2	2
Andrew Davies	0	1
Andrew Denniff (OLP Gov)	2	2
Dan Fleetcroft	0	1
Peter Hoy	0	1
Kate Platts	2	2
Alex Reynolds (Principal non-trustee)	2	2
Nicola Thornton (Chief Finance Officer non-trustee)	2	2
Jessica Stevenson (Principal non-trustee)	1	1
Jon Stewart	0	1
Richie Wheatcroft (Principal non-trustee)	1	1
Martin Wood (City Gov)	1	1
Richard Wright	1	2

### Review of Value For Money

As Accounting Officer, the Executive Principal has responsibility for ensuring that The Sheffield UTC Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- The operation of and adherence to, stringent budgetary controls to ensure that expenditure is limited to essential items.
- Regular reviews of the Trust's risk register, so that new risks and opportunities are recognised on a timely basis.
- Ensuring that Trustees have a strong oversight of the Trust's governance arrangements and systems of internal control via the Resources Committee and reports to the Board.

## Governance statement

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Sheffield UTC Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. RSM were appointed as internal auditors in the year.

### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **The Risk and Control Framework**

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the joint resources sub-committee of reports which indicate financial performance against the forecasts, and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.
- Appoint RSM as internal auditor

The Board of Trustees has considered the need for a specific internal audit function decided to appoint RSM as internal auditors.

Internal audit includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

RSM produced an Internal Audit Report that has been considered by the Trust to give assurance on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included: Reviewing the design and effectiveness of the controls in place surrounding creditors and payments.

The use of credit cards.

RSM's findings were reported to meetings of both the Resources Committee & the full Trust Board in the form of an Internal Audit Report. The auditors' findings included 9 examples of sound design of the control framework and high degrees of compliance. There was 1 low priority finding in relation to the usage of purchase orders, for which appropriate action to remedy has been agreed with the trust.

## Governance statement

### Review of Effectiveness

As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of Joint Resources Committee;
- The work of the internal auditors;
- The work of the external auditor;
- The work of the Chief Financial Officer;
- The financial management and governance self-assessment process;

Approved by order of the members of the Board of Trustees on 18 January 2021 and signed on its behalf by:



Richard Wright  
Trustee



Nick Crew  
Accounting Officer

## Statement on regularity, propriety and compliance

As Accounting Officer of The Sheffield UTC Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I, and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

Signed



Nick Crew  
Accounting Officer

18 January 2021



## Statement of trustees' responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 18 January 2021 and signed on its behalf by:



Richard Wright  
Trustee



# Independent auditor's report to the members of The Sheffield UTC Academy Trust

## Opinion

We have audited the financial statements of The Sheffield UTC Academy Trust ('the charitable company') for the year ended 31 August 2020 which comprise the Statement of financial activities (including income and expenditure account), the Balance sheet, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020

## Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the trustees and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the charitable company's future prospects and performance.

Covid 19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the charitable company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a charitable company associated with these particular events.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



# Independent auditor's report to the members of The Sheffield UTC Academy Trust

In our evaluation of the trustees' conclusions, we considered the risks associated with the charitable company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charitable company will continue in operation.

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Director's Report, prepared for the purposes of company law, included in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included in the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

## **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report (incorporating the Strategic report).

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



# Independent auditor's report to the members of The Sheffield UTC Academy Trust

## **Responsibilities of trustees**

As explained more fully in the Statement of trustees' responsibilities set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink, appearing to read "Mike Redfern".

Michael Redfern FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
SHEFFIELD  
18 January 2021



# Independent reporting accountant's assurance report on Regularity to The Sheffield UTC Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 23 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Sheffield UTC Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

## **Respective responsibilities of The Sheffield UTC Academy Trust's Accounting Officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Sheffield UTC Academy Trust's funding agreement with the Secretary of State for Education dated 27 July 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

## **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- evaluation of the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation and testing of the arrangements in place and enquiry of the Accounting Officer;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance; and
- limited testing on a sample basis of income and expenditure for the areas identified as high risk.



# Independent reporting accountant's assurance report on Regularity to The Sheffield UTC Academy Trust and the Education & Skills Funding Agency

## Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

## Use of our report

This report is made solely to The Sheffield UTC Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Sheffield UTC Academy Trust and the ESFA those matters we are required to state to them in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Sheffield UTC Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

*Grant Thornton*

Grant Thornton UK LLP  
Chartered Accountants  
SHEFFIELD  
18 January 2021

## Statement of financial activities (including income and expenditure account)

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2020 £000	Total 2019 £000
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	(240)	7,650	<b>7,410</b>	81
Charitable activities:						
Funding for the academy trust's educational operations	3	-	6,825	-	<b>6,825</b>	5,413
Other trading activities	4	15	-	-	<b>15</b>	36
<b>Total</b>		<u>15</u>	<u>6,585</u>	<u>7,650</u>	<u><b>14,250</b></u>	<u>5,530</u>
<b>Expenditure on:</b>						
Raising funds	5	-	67	-	<b>67</b>	29
Charitable activities:						
Academy trust educational operations	6	-	6,619	963	<b>7,582</b>	5,957
<b>Total</b>		<u>-</u>	<u>6,686</u>	<u>963</u>	<u><b>7,649</b></u>	<u>5,986</u>
<b>Net income/(expenditure)</b>		15	(101)	6,687	<b>6,601</b>	(456)
<b>Transfers between funds</b>	15	-	-	-	-	-
<b>Other recognised losses</b>						
Actuarial losses on defined benefit pension schemes	15,24	-	(571)	-	<b>(571)</b>	(486)
<b>Net movement in funds</b>		<u>15</u>	<u>(672)</u>	<u>6,687</u>	<u><b>6,030</b></u>	<u>(942)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>85</u>	<u>(10)</u>	<u>17,864</u>	<u><b>17,939</b></u>	<u>18,881</u>
<b>Total funds carried forward</b>		<u><u>100</u></u>	<u><u>(682)</u></u>	<u><u>24,551</u></u>	<u><u><b>23,969</b></u></u>	<u><u>17,939</u></u>

The notes on pages 24 to 45 form part of these financial statements.

## Balance sheet

	Note	2020 £000	2020 £000	2019 £000	2019 £000
<b>Fixed assets</b>					
Intangible assets	11		3		7
Tangible assets	12		24,548		17,857
<b>Current assets</b>					
Debtors	13	673		688	
Cash at bank and in hand		1,535		946	
		<u>2,208</u>		<u>1,634</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	<u>(643)</u>		<u>(387)</u>	
<b>Net current assets</b>			<u>1,565</u>		<u>1,247</u>
<b>Total assets less current liabilities</b>			<u>26,116</u>		<u>19,111</u>
<b>Net assets excluding pension liability</b>			<u>26,116</u>		<u>19,111</u>
Defined benefit pension scheme liability	24		<u>(2,147)</u>		<u>(1,172)</u>
<b>Total assets</b>			<u><u>23,969</u></u>		<u><u>17,939</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	15	24,551		17,864	
Restricted income fund	15	1,465		1,162	
Pension reserve	15	<u>(2,147)</u>		<u>(1,172)</u>	
<b>Total restricted funds</b>			<u>23,869</u>		<u>17,854</u>
<b>Unrestricted income funds</b>	15		<u>100</u>		<u>85</u>
<b>Total funds</b>			<u><u>23,969</u></u>		<u><u>17,939</u></u>

The financial statements on pages 21 to 45 were approved by the Trustees, and authorised for issue on 18 January 2021, and are signed on their behalf by:

*Richard Wright*

Richard Wright  
Trustee

Company number: 07652696

The notes on pages 24 to 45 form part of these financial statements.



## Statement of cash flows

	Note	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Net cash generated by operating activities	19	557	222
<b>Cash flows from investing activities</b>	20	<u>32</u>	<u>(120)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>589</u>	<u>102</u>
<b>Cash and cash equivalents at 1 September 2019</b>		<u>946</u>	<u>844</u>
<b>Cash and cash equivalents at 31 August 2020</b>	22	<u><u>1,535</u></u>	<u><u>946</u></u>

The notes on pages 24 to 45 form part of these financial statements.

# Notes to the financial statements

## 1 Statement of accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

### **Basis of Preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Academies Accounts Direction 2019 to 2020 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Sheffield UTC Academy Trust meets the definition of a public benefit entity under FRS 102.

### **Going Concern**

The Sheffield UTC Academy Trust has prepared financial forecasts for the period to 31 August 2022, as part of its operational and strategic planning. These forecasts have been prepared in conjunction with, and submitted to, the ESFA.

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

The Coronavirus restrictions did impact on recruitment of pupils, especially at UTC Derby Pride Park resulting in lower than expected pupil numbers. However through dialogue with the ESFA, the Trust has maintained a secure financial position.

### **Income**

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

### **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

### **Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

### **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

### **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the associated goods and/or services.

# Notes to the financial statements

## 1 Statement of accounting policies (continued)

### Transfer of existing academies into the academy trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

### Expenditure on Raising Funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

### Charitable Activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are shown inclusive of any irrecoverable VAT.

### Intangible Fixed Assets

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost, net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	- 5 Years
-----------------------------	-----------

### Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land	- 125 years
Freehold buildings	- 50 Years
Fixtures, fittings and general equipment	- 10 Years
ICT hardware	- 5 Years

# Notes to the financial statements

## 1 Statement of accounting policies (continued)

### Land and buildings

Land and buildings acquired since incorporation of the trust company are included in the balance sheet at cost. Leasehold land where capitalised is depreciated over the period of the lease. Freehold buildings are depreciated over 50 years.

Assets in the course of construction are included at cost, based on the value of surveyors' certificates and other direct costs incurred up to the balance sheet date. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

### Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved
- Asset capacity increases
- Substantial improvement in the quality of output, or reduction in operating costs
- Significant extension of the asset's life beyond that conferred by repairs and maintenance.

### Leased assets

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the academy trust substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The relevant assets are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

Assets which are held under hire purchase contracts which have the characteristics of finance leases are depreciated over their useful lives.

### Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

# Notes to the financial statements

## 1 Statement of accounting policies (continued)

### Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. HM Revenue & Customs has confirmed that it recognises the academy trust as both a charity and a charitable company.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### Cash

Cash for the purposes of the cash flow statement comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand.

### Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"), which is run on the trust's behalf by The South Yorkshire Pensions Authority (SYPA). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes, and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other comprehensive income.

Actuarial gains and losses are recognised immediately in other comprehensive income.

### Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency.

## Notes to the financial statements

### 1 Statement of accounting policies (continued)

#### Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

In preparing financial statements the trust has to make judgements in the following areas:

- Determining whether leases entered into by the trust either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determining whether there are indicators of impairment of the group's fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

### 2 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Donations	-	7,134	7,134	-
Capital grants	-	276	276	81
	-	7,410	7,410	81

The donation relates to the transfer of Derby UTC into the Trust. See note 26 for further detail.

## Notes to the financial statements

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	5,288	5,288	4,602
Other DfE/ESFA grants	-	1,463	1,463	639
	<u>-</u>	<u>6,751</u>	<u>6,751</u>	<u>5,241</u>
<b>Other Government grants</b>				
Local authority grants	-	9	9	11
Special educational projects	-	50	50	106
	<u>-</u>	<u>59</u>	<u>59</u>	<u>117</u>
<b>Other income from the academy trust's</b>				
Education operations	-	15	15	55
	<u>-</u>	<u>6,825</u>	<u>6,825</u>	<u>5,413</u>

### 4 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Hire of facilities	3	-	3	22
Release of staff	12	-	12	14
	<u>15</u>	<u>-</u>	<u>15</u>	<u>36</u>

### 5 Expenditure

	Non pay expenditure			Total 2020 £000	Total 2019 £000
	Staff costs £000	Premises £000	Other £000	£000	£000
Expenditure on raising funds					
Direct costs	-	-	67	67	29
Academy's educational operations:					
Direct costs	4,452	952	676	6,080	4,713
Allocated support costs	658	619	225	1,502	1,244
	<u>5,110</u>	<u>1,571</u>	<u>968</u>	<u>7,649</u>	<u>5,986</u>

## Notes to the financial statements

### 5 Expenditure (continued)

Net income/(expenditure) for the period includes:	<b>2020</b>	2019
	<b>£000</b>	£000
Operating lease rentals	3	3
Depreciation	963	595
Loss on disposal of fixed asset	-	8
Amortisation of intangible fixed assets (included within Charitable activities – Academy trust educational operations)	4	4
Fees payable to auditor for:		
- audit	22	13
- other services	2	2
	<u>2</u>	<u>2</u>

### 6 Charitable activities

	<b>2020</b>	2019
	<b>£000</b>	£000
Direct costs – educational operations	6,080	4,713
Support costs – educational operations	1,502	1,244
	<u>7,582</u>	<u>5,957</u>

#### Analysis of support costs

	Educational operations £000	Total 2020 £000	Total 2019 £000
Support staff costs	658	658	496
Depreciation	14	14	10
Technology costs	23	23	8
Premises costs	605	605	576
Other support costs	152	152	138
Legal costs	23	23	-
Governance costs	27	27	16
<b>Total support costs</b>	<u>1,502</u>	<u>1,502</u>	<u>1,244</u>

### 7 Staff

#### Staff costs

Staff costs during the period were:	<b>2020</b>	2019
	<b>£000</b>	£000
Wages and salaries	3,663	3,115
Social security costs	375	315
Operating costs of defined benefit pension schemes	961	638
Apprenticeship levy	4	-
	<u>5,003</u>	<u>4,068</u>
Supply staff costs	107	93
Staff restructuring costs	-	5
	<u>5,110</u>	<u>4,166</u>
Staff restructuring costs comprise:		
Severance payments	-	-
Redundancy payments	-	5
	<u>-</u>	<u>5</u>



## Notes to the financial statements

### 7 Staff (continued)

#### Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2019: £nil).

#### Staff numbers

The average number of persons employed by the academy during the period was as follows:

	2020 No.	2019 No.
Teachers	43	44
Administration and support	39	30
Management	25	20
	<b>107</b>	<b>94</b>

#### Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	1	2
£110,001 - £120,000	-	-
£120,001 - £130,000	1	1

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £533,000 (2019: £430,000).

### 8 Central services

No central services were provided by the trust to its academies during the period, and no central charges arose.

### 9 Related party transactions – trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and the staff trustee only received remuneration in respect of the services they provided undertaking the roles of principal and teacher respectively, under their contracts of employment with the trust.

The value of trustees' remuneration and other benefits was as follows:

N Crew (principal and trustee):

- Remuneration £120,000 - £125,000 (2019: £120,000 - £125,000)
- Employer's pension contributions paid £25,000 - £30,000 (2019: £15,000 - £20,000)

During the year ended 31 August 2020, £135 travel and subsistence expenses were reimbursed to 1 trustee (2019: £47 to 1 trustee).

## Notes to the financial statements

### 10 Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim, and the cost for the period ended 31 August 2020 was £1,600 (2019: £1,600). The cost of this insurance is included in the total insurance cost.

### 11 Intangible fixed assets

	Computer software £'000
<b>Cost</b>	
At 1 September 2019	266
Additions	-
At 31 August 2020	<u>266</u>
<b>Amortisation</b>	
At 1 September 2019	259
Charged in year	4
At 31 August 2020	<u>263</u>
<b>Carrying amount</b>	
At 31 August 2020	<u><u>3</u></u>
At 31 August 2019	<u><u>7</u></u>

### 12 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Furniture and fixtures £'000	Plant and equipment £'000	Computer hardware £'000	<b>Total £'000</b>
<b>Cost</b>						
At 1 September 2019	18,747	-	84	725	1,180	20,736
Acquisitions	7,161	425	603	815	367	9,371
Additions	-	-	-	276	-	276
At 31 August 2020	<u>25,908</u>	<u>425</u>	<u>687</u>	<u>1,816</u>	<u>1,547</u>	<u>30,383</u>
<b>Depreciation</b>						
At 1 September 2019	1,630	-	33	341	875	2,879
Transfer of academy in to trust	610	26	434	586	341	1,997
Charged in year	489	-	100	223	147	959
At 31 August 2020	<u>2,729</u>	<u>26</u>	<u>567</u>	<u>1,150</u>	<u>1,363</u>	<u>5,835</u>
<b>Net book values</b>						
At 31 August 2020	<u><u>23,179</u></u>	<u><u>399</u></u>	<u><u>120</u></u>	<u><u>666</u></u>	<u><u>184</u></u>	<u><u>24,548</u></u>
At 31 August 2019	<u><u>17,117</u></u>	<u><u>-</u></u>	<u><u>51</u></u>	<u><u>384</u></u>	<u><u>305</u></u>	<u><u>17,857</u></u>

The trust had no transactions relating to land and buildings during the year. Included within acquisitions are amounts donated on transfer of an existing academy of £9,371k for UTC Derby Pride Park from the Derby Manufacturing UTC Academy Trust.

## Notes to the financial statements

### 13 Debtors

	2020 £000	2019 £000
VAT recoverable	12	88
Other debtors	-	35
Prepayments and accrued income	<u>661</u>	<u>565</u>
	<u><u>673</u></u>	<u><u>688</u></u>

### 14 Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	101	52
Other taxation and social security	107	89
Other creditors	108	68
Accruals and deferred income	<u>327</u>	<u>178</u>
	<u><u>643</u></u>	<u><u>387</u></u>

#### Deferred income

	2020 £000	2019 £000
Deferred income at 1 September 2019	72	79
Released from previous years	(34)	(79)
Resources deferred in the year	<u>72</u>	<u>72</u>
Deferred income at 31 August 2020	<u><u>110</u></u>	<u><u>72</u></u>

At the balance sheet date the academy trust was holding the following deferred income balances:

£21,000 relating to Student bursary funding received from the ESFA and not yet distributed.

£71,000 relating to Capital funding received from the ESFA in advance of the next academic year.

£18,000 relating to Teachers Pay Award Grants.

## Notes to the financial statements

### 15 Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,022	5,225	(4,922)	-	1,325
Pension reserve	(1,172)	(177)	(227)	(571)	(2,147)
Other grants	140	1,537	(1,537)	-	140
	<u>(10)</u>	<u>6,585</u>	<u>(6,686)</u>	<u>(571)</u>	<u>(682)</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	17,784	-	(928)	-	16,856
Transfer of academy in to trust	-	7,374	-	-	7,374
Other capital grants	-	276	(28)	-	248
Capital expenditure from GAG	80	-	(7)	-	73
	<u>17,864</u>	<u>7,650</u>	<u>(963)</u>	<u>-</u>	<u>24,551</u>
<b>Total restricted funds</b>	<u>17,854</u>	<u>14,235</u>	<u>(7,649)</u>	<u>(571)</u>	<u>23,869</u>
<b>Total unrestricted funds</b>	<u>85</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>100</u>
<b>Total funds</b>	<u>17,939</u>	<u>14,250</u>	<u>(7,649)</u>	<u>(571)</u>	<u>23,969</u>

The specific purposes for which the funds are to be applied are as follows:

**General Annual Grant (GAG):** GAG is the primary source of funding from the Education Funding Agency. It must be used to fund the regular operational costs of the trust and provide benefit to students. This arose due to the funding agreement with the Secretary of State.

**Other grants:** The Pupil Premium allocation is given to schools to raise the attainment of disadvantaged pupils and close the gap between them and their peers. This arose due to the funding agreement with the Secretary of State. During the 2016/17 year additional annual Transitional Funding of £200,000 was awarded to each open UTC by the Department for Education, stemming from a decision by the Secretary of State to recognise the pupil recruitment challenges faced by new UTCs in their early years. This funding was received again as part of a 3 year package over 2017/18 to 2019/20. The trust received Looked After Child Pupil Premium funding from Sheffield City Council. The nature and purpose of this funding is otherwise identical to the EFA Pupil Premium allocation described above. The trust was also a partner in the Higher Education Progression Partnership for South Yorkshire and received funding from the Partnership to cover the cost of the trust's input to it. Funding is also provided by the Department of Education for all academies to cover the cost of Non Domestic Rates.

**DfE/ESFA Capital Grant:** The Capital Grant is to cover the cost of procuring construction works, furniture & fittings, ICT equipment and specialist equipment in order to provide the physical facilities for the academy trust. This grant stemmed from the decision by the Secretary of State for Education to allow the application to establish the UTC to proceed to the pre-opening stage, and approval from the EFA to commence construction and procurement. It must only be expended on the purchase of construction works, furniture & fittings, ICT equipment and specialist equipment.

Under the funding agreements with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

## Notes to the financial statements

### 15 Funds (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	863	4,602	(4,377)	(66)	1,022
Pension reserve	(502)	-	(184)	(486)	(1,172)
Other grants	140	811	(811)	-	140
	<u>501</u>	<u>5,413</u>	<u>(5,372)</u>	<u>(552)</u>	<u>(10)</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	18,310	81	(607)	-	17,784
Capital expenditure from GAG	21	-	(7)	66	80
	<u>18,331</u>	<u>81</u>	<u>(614)</u>	<u>66</u>	<u>17,864</u>
<b>Total restricted funds</b>	<u>18,832</u>	<u>5,494</u>	<u>(5,986)</u>	<u>(486)</u>	<u>17,854</u>
<b>Total unrestricted funds</b>	<u>49</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>85</u>
<b>Total funds</b>	<u>18,881</u>	<u>5,530</u>	<u>(5,986)</u>	<u>(486)</u>	<u>17,939</u>

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	863	9,827	(9,299)	(66)	1,325
Pension reserve	(502)	(260)	(411)	(1,057)	(2,147)
Other grants	140	2,348	(2,348)	-	140
	<u>501</u>	<u>11,998</u>	<u>(12,058)</u>	<u>(1,028)</u>	<u>(682)</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	18,310	81	(1,535)	-	16,856
Transfer of academy in to trust	-	7,374	-	-	7,374
Other capital grants	-	276	(28)	-	248
Capital expenditure from GAG	21	-	(14)	66	73
	<u>18,331</u>	<u>7,731</u>	<u>(1,577)</u>	<u>66</u>	<u>24,551</u>
<b>Total restricted funds</b>	<u>18,832</u>	<u>19,729</u>	<u>(13,635)</u>	<u>(1,057)</u>	<u>23,869</u>
<b>Total unrestricted funds</b>	<u>49</u>	<u>51</u>	<u>-</u>	<u>-</u>	<u>100</u>
<b>Total funds</b>	<u>18,881</u>	<u>19,780</u>	<u>(13,635)</u>	<u>(1,057)</u>	<u>23,969</u>

## Notes to the financial statements

### 15 Funds (continued)

#### Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
UTC Sheffield City Centre	1,131	782
UTC Sheffield Olympic Legacy Park	593	465
UTC Derby Pride Park	(159)	-
Total before fixed assets and pension reserve	<u>1,565</u>	<u>1,247</u>
Restricted fixed asset fund	24,551	17,864
Pension reserve	(2,147)	(1,172)
<b>Total</b>	<b><u><u>23,969</u></u></b>	<b><u><u>17,939</u></u></b>

#### Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs (excluding depreciation) £000	Total 2020 £000	Total 2019 £000
UTC Sheffield City Centre	1,909	321	143	493	2,866	2,807
UTC Sheffield Olympic Legacy Park	1,745	226	134	422	2,527	2,565
UTC Derby Pride Park	798	123	93	291	1,305	-
<b>Academy Trust</b>	<b><u><u>4,452</u></u></b>	<b><u><u>670</u></u></b>	<b><u><u>370</u></u></b>	<b><u><u>1,206</u></u></b>	<b><u><u>6,698</u></u></b>	<b><u><u>5,372</u></u></b>

### 16 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Intangible fixed assets	-	-	3	3
Tangible fixed assets	-	-	24,548	24,548
Current assets	100	2,037	71	2,208
Current liabilities	-	(572)	(71)	(643)
Pension scheme liability	-	(2,147)	-	(2,147)
<b>Total net assets</b>	<b><u><u>100</u></u></b>	<b><u><u>(682)</u></u></b>	<b><u><u>24,551</u></u></b>	<b><u><u>23,969</u></u></b>

## Notes to the financial statements

### 16 Analysis of net assets between funds (continued)

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Intangible fixed assets	-	-	7	7
Tangible fixed assets	-	-	17,857	17,857
Current assets	85	1,511	38	1,634
Current liabilities	-	(306)	(38)	(344)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(1,172)	-	(1,172)
<b>Total net assets</b>	<b>85</b>	<b>33</b>	<b>17,864</b>	<b>17,982</b>

### 17 Capital commitments

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	-	-

### 18 Commitments under operating leases

#### Operating leases

At 31 August 2020 the total of the Academy's future minimum lease payments under non-cancellable operating leases were:

	2020 £000	2019 £000
Amounts due within one year	3	3
Amounts due between one and five years	6	8
	<b>9</b>	<b>11</b>

### 19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £000	2019 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	6,601	(456)
Adjusted for:		
Amortisation (note 11)	4	4
Depreciation (note 12)	959	595
Capital grants from DfE and other capital income	(276)	(81)
Defined benefit pension scheme cost less contributions payable (note 24)	198	103
Defined benefit pension scheme past service cost (note 24)	-	64
Defined benefit pension scheme finance cost (note 24)	25	14
Defined benefit pension scheme administrative expenses (note 24)	4	3
Transfer in of asset from academy transfer	(7,134)	-
Increase in debtors	18	8
Increase/(decrease) in creditors	158	(32)
<b>Net cash provided by operating activities</b>	<b>557</b>	<b>222</b>

## Notes to the financial statements

### 20 Cash flows from investing activities

	2020 £000	2019 £000
Purchase of tangible fixed assets	(276)	(298)
Sale of tangible fixed assets	-	8
Capital grants from DfE/ESFA	32	170
Capital grants (other)	276	-
<b>Net cash used in investing activities</b>	<b>32</b>	<b>(120)</b>

### 21 Analysis cash and cash equivalents

	At 31 August 2020 £000	At 31 August 2019 £000
Cash in hand and at bank	1,535	946
<b>Total cash and cash equivalents</b>	<b>1,535</b>	<b>946</b>

### 22 Analysis of changes in net debt

	At 31 August 2019 £000	Cash £000	At 31 August 2020 £000
Cash	946	589	1,535
Total	946	589	1,535

### 23 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

### 24 Pension and similar obligations

The academy trust's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and two Local Government Pension Schemes (LGPS) for non-teaching staff, which are managed by the South Yorkshire Pensions Authority (SYPA) & Derbyshire Pension Fund (DPF). All are multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, of the SYPA LGPS 31 March 2019 & of the DPF LGPS 31 March 2019.

Contributions amounting to £90,000 were payable to the schemes at 31 August 2020 and are included within creditors.



## Notes to the financial statements

### 24 Pension and similar obligations (continued)

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

##### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £591,000 (2019: £363,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

#### Local Government Pension Scheme (South Yorkshire Pension Scheme)

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2020 was £160,000 (2019: £139,000), of which employer's contributions totalled £114,000 (2019: £95,000) and employees' contributions totalled £46,000 (2019: £44,000) The agreed contribution rates for future years are 15.7 per cent for employers and 5.8 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

## Notes to the financial statements

### 24 Pension and similar obligations (continued)

#### Principal actuarial assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.55%	3.25%
Rate of increase for pensions in payment/inflation	2.40%	2.10%
Discount rate for scheme liabilities	1.80%	1.80%
Inflation assumption (CPI)	2.30%	2.00%

#### Sensitivity analysis

	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
	£000	+0.1% p.a. discount rate £000	+0.1% p.a. inflation £000	+0.1% p.a. pay growth £000	+1 year life expectancy £000
Liabilities	3,373	3,284	3,464	3,888	3,467
Assets	(1,554)	(1,554)	(1,554)	(1,554)	(1,554)
Deficit	1,819	1,730	1,910	1,834	1,913
Projected service cost for next year	279	271	288	279	288
Projected net interest cost for next year	32	32	33	32	33

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2020	At 31 August 2019
<b>Retiring today</b>		
Males	22.4	23.1
Females	25.2	25.9
<b>Retiring in 20 years</b>		
Males	23.9	25.3
Females	27.1	28.3

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equities	736	619
Government bonds	228	169
Other bonds	137	86
Property	131	103
Cash/liquidity	56	38
Other	266	168
<b>Total market value of assets</b>	<b>1,554</b>	<b>1,183</b>

The actual return on scheme assets was £2,000 (2019: £39,000).

## Notes to the financial statements

### 24 Pension and similar obligations (continued)

#### Amounts recognised in the statement of financial activities

	2020	2019
	£000	£000
Current service cost (net of employee contributions)	(160)	(196)
Net interest cost	(20)	(14)
Administration expenses	(4)	(3)
<b>Total operating charge</b>	<b>(184)</b>	<b>(213)</b>

#### Changes in the present value of defined benefit obligations were as follows:

	2020	2019
	£000	£000
<b>At 1 September</b>	<b>2,355</b>	<b>1,473</b>
Current service cost	270	196
Interest cost	43	44
Employee contributions	45	43
Benefits/transfers paid	-	-
Past service cost	-	64
Actuarial (gain)/loss	660	535
<b>At 31 August</b>	<b>3,373</b>	<b>2,355</b>

#### Changes in the fair value of academy's share of scheme assets:

	2020	2019
	£000	£000
<b>At 1 September</b>	<b>1,183</b>	<b>971</b>
Interest income	23	30
Actuarial gain	197	49
Administration expenses	(4)	(3)
Benefits/transfers paid	-	-
Employer contributions	110	93
Employee contributions	45	43
<b>At 31 August</b>	<b>1,554</b>	<b>1,183</b>

#### Local Government Pension Scheme (Derbyshire Pension Fund)

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2020 was £36,000 (2019: £nil), of which employer's contributions totalled £28,000 (2019: £nil) and employees' contributions totalled £8,000 (2019: £nil). The agreed contribution rates for future years are 21.1 per cent for employers and 6.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

#### Principal actuarial assumptions

	At 31 August 2020
Rate of increase in salaries	2.90%
Rate of increase for pensions in payment/inflation	2.20%
Discount rate for scheme liabilities	1.70%
Inflation assumption (CPI)	2.20%

## Notes to the financial statements

### 24 Pension and similar obligations (continued)

#### Sensitivity analysis

	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3
		+0.5% p.a. discount rate £000	+0.5% p.a. pay growth £000	+0.5% p.a. inflation £000
	£000			
Defined benefit obligation	260	414	279	392

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2020
<b>Retiring today</b>	
Males	21.6
Females	23.7
<b>Retiring in 20 years</b>	22.6
Males	25.1
Females	

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2020 £000
Equities	736
Government bonds	228
Other bonds	137
Property	31
Cash/liquidity	56
Other	266
<b>Total market value of assets</b>	<b>1,554</b>

The actual return on scheme assets was 1.4%.

#### Amounts recognised in the statement of financial activities

	2020 £000
Current service cost (net of employee contributions)	(49)
Net interest cost	(6)
<b>Total operating charge</b>	<b>(55)</b>

## Notes to the financial statements

### 24 Pension and similar obligations (continued)

Changes in the present value of defined benefit obligations were as follows:

	2020 £000
<b>At 1 December</b>	<b>846</b>
Current service cost	66
Interest cost	11
Employee contributions	8
Benefits/transfers paid	(1)
Past service cost	-
Actuarial (gain)/loss	93
<b>At 31 August</b>	<b><u>1,023</u></b>

Changes in the fair value of academy's share of scheme assets:

	2020 £000
<b>At 1 December</b>	<b>669</b>
Interest income	6
Actuarial loss	(15)
Administration expenses	-
Benefits/transfers paid	(1)
Employer contributions	28
Employee contributions	8
<b>At 31 August</b>	<b><u>695</u></b>

### 25 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the Academies Financial Handbook and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

#### Expenditure related party transactions

The Sheffield College - A Further Education Corporation in which Ms A Foulkes, Mrs K Platts & Mr A Hartley (trustees of the trust) have significant influence.

- Purchase transactions were undertaken with the College with a total value of £79,000 (2019: £137,000). These related to a variety of services such as Finance & Human Resources, estates & premises management, post handling/franking and telephony. The amount outstanding at 31 August 2020 was £3,000 (2019: £nil).
- The academy trust made the purchase at arms' length in accordance with its financial regulations and Service Level Agreement with the College. The trustees neither participated in, nor influenced the setting up of the relationship between the trust and the College.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.
- The element above £2,500 has been provided 'at no more than cost' and The Sheffield College has provided a statement of assurance confirming this.

## Notes to the financial statements

### 25 Related party transactions (continued)

Sparks Managed Services Ltd - A premises cleaning company in which Ms A Foulkes, Mrs K Platts & Mr A Hartley (trustees of the trust) are Directors.

- Purchase transactions were undertaken with the company with a total value of £189,000 (2019: £161,000). These related to the provision of cleaning, security and caretaking services. The amount outstanding at 31 August 2020 was £110,000 (2019: £nil).
- The academy trust made the purchase at arms' length in accordance with its financial regulations and Service Level Agreement with The Sheffield College (parent entity of the company). The trustees neither participated in, nor influenced the setting up of the relationship between the trust and the company.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.
- The element above £2,500 has been provided 'at no more than cost' and Sparks Managed Services has provided a statement of assurance confirming this.

Sparks Teaching Services Ltd - A temporary staff booking and payment company in which Ms A Foulkes & Mrs K Platts (trustees of the trust) are Directors.

- Purchase transactions were undertaken with the company with a total value of £nil (2019: £2,000). These related to the sourcing and payment of temporary teaching staff. The amount outstanding at 31 August 2020 was £nil (2019: £nil).
- The academy trust made the purchase at arms' length in accordance with its financial regulations and Service Level Agreement with The Sheffield College (parent entity of the company). Ms Foulkes & Ms Platts neither participated in, nor influenced the setting up of the relationship between the trust and the company.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.
- The element above £2,500 has been provided 'at no more than cost' and Sparks Teaching Services has provided a statement of assurance confirming this.

Sheffield City Council – A City Council in which Mr M Drabble (a trustee of the trust) has significant influence.

- Purchase transactions were undertaken with the Council with a total value of £140,000 (2019: £206,000). These related to a variety of services including business rates, catering contract management, student bursary management, broadband connection and governor training. The amount outstanding at 31 August 2020 was £200 (2019: £1,000). The Council is also leasing land to the trust for both of its facilities in Sheffield (under 125-year peppercorn leases), as it was in 2019.
- The academy trust made the purchase at arms' length in accordance with its financial regulations. No competitive tendering exercise was required as all services are such that the Council is the only supplier available, or the arrangement is a legal requirement. Mr Drabble neither participated in, nor influenced the setting up of the relationship between the trust and the Council.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.
- The element above £2,500 has been provided 'at no more than cost' and Sheffield City Council has provided a statement of assurance confirming this.

G Crew, daughter of N Crew, Executive Principal and trustee, is employed by the academy trust as a Curriculum Director. G Crew's appointment was made in open competition and N Crew was not involved in the decision making process regarding appointment. G Crew is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

## Notes to the financial statements

### 25 Related party transactions (continued)

#### Income related party transaction

Sheffield City Council – A City Council in which Mr M Drabble (a trustee of the trust) has significant influence.

- During the year the Council provided £8,400 of funding to the trust in relation to its charitable activities (educational operations). These were formula driven allocations of Looked After Children Pupil Premium and Special Educational Needs Grants.
- The trust received the income at arms' length in accordance with its financial regulations, as the grants are solely related to the trust's pupils and not its relationship with the Council.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

### 26 Transfer of academy in to the trust

	Value reported by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
<b>Tangible assets</b>			
Leasehold land and buildings	6,949	-	6,949
Plant and machinery	230	-	230
Furniture and equipment	169	-	169
Computer equipment	27	-	27
<b>Current assets</b>			
Debtors due in less than one year	49	-	49
Cash at bank and in hand	4	-	4
<b>Liabilities</b>			
Creditors due in less than one year	(117)	-	(117)
<b>Pensions</b>			
Pension scheme assets	669	-	669
Pension scheme liabilities	(846)	-	(846)
<b>Net assets</b>	<b>7,134</b>	<b>-</b>	<b>7,134</b>

The UTC Derby Pride Park property has been transferred in to the trust at the carrying value held by the former Derby Manufacturing UTC Trust. As the property is only 5 years old and in good condition, the carrying value is not likely to be materially different from a depreciated replacement cost value therefore the Directors consider the carrying value to be appropriate.